

Status: Point in time view as at 01/02/1991.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1988, Part II. (See end of Document for details)

SCHEDULES

SCHEDULE 4

BUSINESS EXPANSION SCHEME: PRIVATE RENTED HOUSING

PART II

DWELLING-HOUSES TO WHICH SECTION 50 DOES NOT APPLY

Expensive dwelling-houses

- 13 (1) Section 50 of this Act does not apply to a dwelling-house the market value of which exceeds—
- (a) in the case of a dwelling-house in Greater London, £125,000;
 - (b) in any other case, £85,000.
- (2) The market value of a dwelling-house at any date (“the valuation date”) shall be taken to be the price which, at the relevant date, it might reasonably have been expected to fetch on a sale in the open market—
- [^{F1}(a) on the assumption that the dwelling-house was in the same state as at the valuation date;]
 - (b) on the assumptions as to title mentioned in sub-paragraph (4) below; and in this paragraph “the relevant date” means the date of the issue of the shares or, if later, the date when the company or any of its subsidiaries first acquired an interest in the dwelling-house (or the land which comprises the dwelling-house).
- ^{F2}(3)
- (4) The assumptions as to title are—
- (a) where the dwelling-house is in England and Wales or Northern Ireland and is a house, that the vendor was selling for an estate in fee simple with vacant possession and that the dwelling-house was to be conveyed with the same rights and subject to the same burdens as it would be if conveyed in pursuance of the right to buy legislation;
 - (b) where the dwelling-house is in England and Wales or Northern Ireland and is a flat, that the vendor was granting a lease with vacant possession for a term of 125 years at a rent of £10 per annum and that the grant was to be made with the same rights and subject to the same burdens as it would be if made in pursuance of that legislation; and
 - (c) where the dwelling-house is in Scotland, that it was available with vacant possession and with no heritable security constituted over any interest in it.
- (5) In sub-paragraph (4) above “the right to buy legislation” means—

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- (a) in relation to a dwelling-house in England and Wales, Part V of the ^{M1}Housing Act 1985;
- (b) in relation to a dwelling-house in Northern Ireland, Chapter I of Part II of the ^{M2}Housing (Northern Ireland) Order 1983;
- and “flat” and “house” have the same meanings as in that legislation.
- (6) The Treasury may by order amend sub-paragraph (1) above by substituting a different amount for any amount for the time being specified there.

Textual Amendments

- F1** Sch. 4 para. 13(2)(a) substituted (for valuation on or after 20.03.1990) by Finance Act 1990 (c. 29, SIF 63:1), s. 73(1)(a), and (2).
- F2** Sch. 4 para. 13(3) repealed (for valuation on or after 20.03.1990) by Finance Act 1990 (c. 29, SIF 63:1), ss. 73(1)(b), (2), 132, Sch. 19 Pt. IV, Note 13.

Marginal Citations

- M1** 1985 c. 68.
- M2** S.I. 1983/1118 (N.I. 15).

Unfit and sub-standard dwelling-houses

- 14 Section 50 of this Act does not apply to—
- (a) a dwelling-house in England and Wales which is unfit for human habitation within the meaning of section 604 of the ^{M3}Housing Act 1985 or does not have all the standard amenities within the meaning of section 508 of that Act;
- (b) a dwelling-house in Scotland which does not meet the tolerable standard described, for the purposes of the ^{M4}Housing (Scotland) Act 1987, by section 86 of that Act or does not have all the standard amenities described in the first column of Part I of Schedule 18 to that Act; or
- (c) a dwelling-house in Northern Ireland which is unfit for human habitation within the meaning of Article 46 of the ^{M5}Housing (Northern Ireland) Order 1981 or does not have all the standard amenities within the meaning of Article 59 of the ^{M6}Housing (Northern Ireland) Order 1983.

Marginal Citations

- M3** 1985 c. 68.
- M4** 1987 c. 26.
- M5** S.I. 1981/156 (N.I. 3).
- M6** S.I. 1983/1118 (N.I. 15).

Dwelling-houses already let etc.

- 15 (1) Section 50 of this Act does not apply to a dwelling-house if—

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- (a) before the relevant date, the company or any of its subsidiaries had entered into arrangements for letting the whole or any part of the dwelling-house;
- (b) at that date, the whole or any part of the dwelling-house was let; or
- (c) after that date, the whole or any part of the dwelling-house has been let otherwise than on a qualifying tenancy.

(2) In this paragraph—

“let” includes let under a licence and “letting” shall be construed accordingly;

“the relevant date” means the date when the company or any of its subsidiaries first acquired an interest in the dwelling-house (or the land which comprises the dwelling-house).

Dwelling-houses already qualifying for relief

- 16 (1) Section 50 of this Act does not apply to a dwelling-house if—
- (a) a certificate has been issued under section 306(2) of the Taxes Act 1988 (as modified by paragraph 10 above) by some other company (“the other company”); and
 - (b) at any time after the issue of the shares to which that certificate related, the conditions mentioned in sub-paragraph (2) below were satisfied in relation to the dwelling-house (or a dwelling-house the whole or any part of which has been converted into or consists of the whole or any part of the dwelling-house).
- (2) The conditions referred to in sub-paragraph (1) above are satisfied in relation to a dwelling-house at any time if, at that time—
- (a) the dwelling-house is a dwelling-house to which section 50 of this Act applies in relation to the other company or any of its subsidiaries; and
 - (b) an interest in the dwelling-house is owned by that company or any such subsidiary.

Dwelling-houses qualifying for capital allowances

- 17 Section 50 of this Act does not apply to a dwelling-house in respect of which the company is entitled to capital allowances under paragraph 2 of Schedule 12 to the ^{M7}Finance Act 1982.

Marginal Citations

M7 1982 c. 39.

Interpretation of certain expressions: Scotland

- 18 In the application of the above provisions of this Part to Scotland, references to acquiring an interest shall be construed, if there is a contract to acquire the interest,

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as references to entering into that contract and for the purposes of paragraph 16(2) (b) above, a company or subsidiary shall be regarded as owning an interest during the period between its entering into such a contract as regards that interest and its acquiring the interest.

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